

Exhibit 2

Redacted (Attorney Client Privilege)

From: Jessica Woelfel
Sent: Wednesday, March 10, 2021 4:19 PM
To: Clint Zettle <Zettle@brocklegal.com>; Support at Lone Star DR <keith@lonestardemandresponse.com>
Cc: Craig Young <cyoung@viridityenergy.com>; Mike Pavo <mpavo@viridityenergy.com>; Theodora Ward <DWard@ORMAT.COM>; Ofer Haiat <ohaiat@ormat.com>; Mark Misciagna <mmisciagna@ORMAT.COM>; Justin Butt <jbutt@viridityenergy.com>; Jerry Winter <jwinter@viridityenergy.com>
Subject: RE: Viridity Energy - \$2.9 M Performance Assurance Demand - Jan -Feb 2021 Settlements

Clint,

Attached is requested information which, as previously stated before, took some time to gather.

Best regards,



Jessica Woelfel
Vice President, U.S. Legal Counsel

T +1 (775) 398-4305 M +1 (775) 224-5870
6140 Plumas St. Reno, NV 89519

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From: Clint Zettle <Zettle@brocklegal.com>

Sent: Tuesday, March 9, 2021 7:09 PM

To: Jessica Woelfel <jwoelfel@ORMAT.COM>; Support at Lone Star DR

<keith@lonestardemandresponse.com>

Cc: Craig Young <cyoung@viridityenergy.com>; Mike Pavo <mpavo@viridityenergy.com>; Theodora Ward <DWard@ORMAT.COM>; Ofer Haiat <ohaiat@ormat.com>; Mark Misciagna <mmisciagna@ORMAT.COM>; Justin Butt <jbutt@viridityenergy.com>; Jerry Winter <jwinter@viridityenergy.com>

Subject: RE: Viridity Energy - \$2.9 M Performance Assurance Demand - Jan -Feb 2021 Settlements

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Hi, Jessica –

If Lone Star were to assert a claim against Viridity, say in regard to Viridity's failure to observe Good Electric Operating Practices on December 23, 2020 representing an Event of Default by Viridity for its failure to perform a material obligation under the Energy Management Agreement that resulted in millions of dollars in losses to Lone Star and its customers, wouldn't Viridity request proof of said losses? Viridity cannot reasonably expect Lone Star to pay a \$500 bill let alone a \$3,300,000 bill without providing the necessary proof to which Lone Star is entitled to under the Agreement. Section 12.13 of the Agreement states that Lone Star has a right to inspect and audit all books and records, including supporting documentation, of all activities, costs, and expenditures incurred pursuant to the Agreement in such detail that they may be readily computed, audited, and copied by Lone Star. Such records shall be available for inspection and audit by Lone Star at reasonable times and places throughout the term of the Agreement. Viridity has failed to provide Lone Star with requested documentation on two occasions now and Lone Star is properly enforcing its contractual rights in demanding that Viridity provide the following documentation to Lone Star by 5:00 PM CST on March 11, 2021 :

1. ERCOT documentation reflecting the \$3,300,000 in imbalance charges assessed to VESI in relation to the former Lone Star assets. Also include proof of Viridity's payment of this fine.
2. ERCOT documentation reflecting the RRS/LR offers, awards and settlement prices from 2/1/2021 through 2/28/2021 related to the former Lone Star assets.

As previously mentioned, Lone Star does not consider AS obligation reports to be sufficient proof and we cannot consider Viridity's request until Viridity provides Lone Star with proper documentation regardless of Viridity's imposed timelines.

Thank you,

CLINTON S. ZETTLE

BROCKLEGAL, PLLC

4325 Windsor Centre Trail, Suite 100

Flower Mound, TX 75028

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From: Jessica Woelfel [<mailto:jwoelfel@ORMAT.COM>]

Sent: Monday, March 8, 2021 5:15 PM

To: Support at Lone Star DR <keith@lonestardemandresponse.com>; Clint Zettle <Zettle@brocklegal.com>

Cc: Craig Young <cyoung@viridityenergy.com>; Mike Pavo <mpavo@viridityenergy.com>; Theodora Ward <DWard@ORMAT.COM>; Ofer Haiat <ohaiat@ormat.com>; Mark Misciagna <cmmisciagna@ORMAT.COM>; Justin Butt <jbutt@viridityenergy.com>; Jerry Winter <jwinter@viridityenergy.com>

Subject: RE: Viridity Energy - \$2.9 M Performance Assurance Demand - Jan -Feb 2021 Settlements

Hi Keith and Clint,

We are in receipt of the below demand for settlement and payment for January 2021 and your declaration of a breach of the EMA. Your position is based on a misunderstanding of the EMA's risk-allocation provisions: Viridity is properly enforcing its contractual rights to demand Performance Assurance under Section 12.14 of the EMA, and Lone Star has failed to provide such assurance as required by the EMA. This letter serves as a supplement to Viridity's March 5, 2021 notice requesting Performance Assurance.

First, Section 12.14 provides that "[i]f either Party determines in its reasonable discretion that the other Party's creditworthiness or ability to perform under this Agreement has become unsatisfactory due to a material adverse change in the financial conditions of the

other Party, then that Party . . . may require Performance Assurance.” Virdity—in its reasonable discretion—has made that determination. This determination is reinforced by (i) your decision to transfer the bulk of your portfolio to PPM on February 1 without Viridity’s consent, leaving Lone Star without operating assets sufficient to meet its performance and financial obligations, and (ii) Lone Star’s continued refusal to meet its obligation under Section 3.4 of the EMA to pay “upon demand” the \$3.3 million share of the ERCOT imbalance charges due solely to Lone Star’s RRS shortfall.

Second, 12.14 authorizes Virdity to demand Performance Assurance with written notice requesting that Lone Star provide such assurance. As you know, Virdity made that demand on March 5, 2021, requesting Performance Assurance in an amount sufficient to cover ERCOT’s imbalance charges assessed against Viridity in the amount of \$4.5 million, \$3.3 million of which is solely the result of Lone Star’s failure to perform. Performance Assurance “shall mean cash, letter(s) of credit, corporate guarantees, or other security each in form and amount reasonably acceptable to” Virdity. On March 5, 2021, Virdity requested Performance Assurance in the amount of \$2,941,018.16 in the form of cash, netting of market revenues otherwise due to Lone Star up to the amount of the imbalance charges, or a letter credit in a form acceptable to Viridity.

Third, Section 12.14 mandates the Lone Star “shall have three (3) days to provide such Performance Assurance to the Requesting Party.” As of today, March 8, 2021, Lone Star has still not provided such Performance Assurance. As a result of your failure to provide the required Performance Assurance, Viridity will continue to net any market revenues to \$2,941,018.16 as Performance Assurance until such time as Lone Star provides such assurance in the form of cash or a letter of credit.

Finally, if, in 10 days, Lone Star has not provided Performance Assurance, such failure shall constitute an Event of Default, and Viridity will be entitled to “exercise any remedies set forth” in the EMA.

Viridity is hopeful that the parties can resolve their differences, but nevertheless continues to reserve all of its rights under the EMA and its amendments, in law, and in equity. I am happy to get on a call if you would like to further discuss.

Best regards,



**Jessica Woelfel
Vice President, U.S. Legal Counsel**

**T +1 (775) 398-4305 M +1 (775) 224-5870
6140 Plumas St. Reno, NV 89519**

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From: Support at Lone Star DR <keith@lonestardemandresponse.com>

Sent: Friday, March 5, 2021 12:24 PM

To: Jerry Winter <jwinter@viridityenergy.com>

Cc: Craig Young <cyoung@viridityenergy.com>; Jessica Woelfel <jwoelfel@ORMAT.COM>; Mike Pavo <mpavo@viridityenergy.com>; Theodora Ward <DWard@ORMAT.COM>; Ofer Haiat <ohaiat@ormat.com>; Mark Misciagna <mmisciagna@ORMAT.COM>; Justin Butt <jbutt@viridityenergy.com>

Subject: RE: Viridity Energy - \$2.9 M Performance Assurance Demand - Jan -Feb 2021 Settlements

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Jerry:

We are demanding payment for January 2021 RRS/LR participation, as it is not tied in any way, shape, or form to the February 2021 business transactions.

We consider holding February 2021 RRS/LR settlement and statement in order to satisfy a proposed debt which happened after the January 2021 settlement in strict violation of the EMA between VESI and LSDR.

Please consider this letter a demand for settlement and payment for January 2021, immediately, to be wired and email to our account today, as VESI is in breach of the EMA.

Thanks!

KV

Keith M Vauquelin



Lone Star Demand Response, LLC, observes and enforces MNDA protocols in all communications, and asks the same of email recipients. Thank you.

Avast Anti Virus Logo



From: Jerry Winter <jwinter@viridityenergy.com>

Sent: Friday, March 5, 2021 13:13

To: Support at Lone Star DR <keith@lonestardemandresponse.com>
Cc: Craig Young <cyoung@viridityenergy.com>; Jessica Woelfel <jwoelfel@ORMAT.COM>; Mike Pavo <mpavo@viridityenergy.com>; Theodora Ward <DWard@ORMAT.COM>; Ofer Haiat <ohaiat@ormat.com>; Mark Misciagna <mmisciagna@ORMAT.COM>; Justin Butt <jbutt@viridityenergy.com>
Subject: Viridity Energy - \$2.9 M Performance Assurance Demand - Jan -Feb 2021 Settlements
Importance: High

Keith,

We write to provide you notice of \$4.5 million in imbalance charges ERCOT has assessed against Viridity. As you know, Lone Star failed to satisfy its obligations to provide Response Reserve Services (RRS) between February 14-19, 2021. As a result, ERCOT assessed imbalance charges of \$4.5 million against Viridity, resulting in approximately \$3.3 million in imbalance charges due solely to Lone Star's RRS shortfall.

As we have previously advised, Lone Star transferred assets without notifying Viridity in violation of the terms of the EMA. Viridity has in its reasonable discretion under Section 12.14 of the EMA concluded that Lone Star's creditworthiness or ability to perform has become unsatisfactory because of Lone Star's unauthorized asset transfer in material breach of the agreement. Lone Star's inability to perform includes its obligation under Section 3.4 of the EMA to pay "upon demand" the share of the ERCOT imbalance charges due solely to Lone Star's RRS shortfall.

Accordingly, pursuant to Section 12.14 of the EMA, Lone Star must immediately provide Performance Assurance in the amount of \$2,941,018.16 in the form of cash, netting of market revenues otherwise due to Lone Star up to the amount of the imbalance charges, or a letter credit in a form acceptable to Viridity. Viridity hereby notifies Lone Star that it will access the Performance Assurance to net any revenues due when Viridity issues its next Settlement Statement to the extent of the imbalance charges due solely to Lone Star's RRS shortfall.

If Lone Star fails to provide Performance Assurance, Viridity expressly reserves all of its rights under the EMA and its amendments, in law, and in equity.

Best regards,



Jerry Winter
Director of Sales & Account Management, VP VESI
T (936) 701-2643 M (713) 203-1151

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